



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

901 Locust Street, Suite 462
Kansas City, MO 64106-2641

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 26, 2008

Mr. Dave Vattimo
Vice President
Kinder Morgan Liquid Terminals
8500 W. 68th St.
Argo, IL 60501-0409

CPF 3-2008-5012

Dear Mr. Vattimo:

On May 27-30, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your pipeline facilities and records in Chicago, Illinois.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. §195.404 Maps and records.

(c)(3) A record of each inspection and test required by this subpart shall be maintained for at least 2 years or until the next inspection or test is performed, whichever is longer.

(a) Review of Kinder Morgan Liquid Terminals monthly tank inspections found that Kinder Morgan Liquid Terminals did not have records of the required monthly inspections for the following breakout tanks located at the Argo, IL Terminal:

- 1) Tanks 33-1, 33-2, 63-1, 80-4 and 55-8 - Nov. in 2006;
- 2) Tanks 33-1, 33-2, 63-1, 80-4 and 55-8 - Aug. in 2007.

- (b) Review of Kinder Morgan Liquid Terminals mainline valve inspections found that Kinder Morgan Liquid Terminals did not have records that several mainline valves were inspected twice during 2007. A review of the records obtained found that the following mainline valves were missing the required documentation of inspections for the period indicated:

Mainline valves 40, 45, 60, 61 and 62 for the first (Spring) inspection in 2007.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$17,600 as follows:

<u>Item number</u>	<u>PENALTY</u>
1(a)	\$ 8,800
1(b)	<u>\$ 8,800</u>
Total	\$17,600

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to **CPF 3-2008-5012** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Ivan A. Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*